the country. The OMCs would purchase bio-diesel meeting the standards prescribed by the Bureau of Indian Standards (BIS), from those bio-diesel manufacturers who register with them after satisfying the technical specifications, at a specified delivered price. Depending upon felt need and preparedness, the OMCs could also open more purchase centres.

The Petroleum Conservation Research Association (PCRA), an organization under the Ministry of Petroleum & Natural Gas, has opened a National Bio-fuel Centre, which disseminates information related to bio-diesel.

Soft loans to farmers

*239. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to provide soft loans to farmers;

(b) if so, what are the details thereof and whether these soft loans would be given by the private banks also; and

(c) by when, this scheme is likely to be implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) To ensure that the farmer receives Short-Term Production Credit at 7% with an upper limit of Rs. 3 lacs on the principal amount for Kharif and Rabi 2006-07, the Government has decided to provide interest subvention of 2% per annum to Public Sector Banks and Regional Rural Banks (RRBs) on their lending from their own resources and refinance at concessional rate to cooperative banks and RRBs on their borrowings from NABARD. Further, the State Governments have been requested to provide interest subsidy to Cooperative Banks on the amount disbursed from their own sources to ensure that they can disburse ground level credit at a rate of 7% per annum.

Reserve Bank of India (RBI) and NABARD have issued instructions to all public sector banks, RRBs and cooperative banks in this regard. This subvention, however, is not applicable to private sector banks.